

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 STR-08 TRSE-00

LAB-06 SIL-01 OMB-01 RSR-01 /091 W

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P R 121740Z JUL 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC PRIORITY 8092

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS UNN

UNCLAS BRUSSELS 3930

DEPT PASS STR AND COMMERCE

E.O. 11652 NA

TAGS: BEXP, BE

SUBJ: MARKETING OF "PAMPERS" IN EUROPE

1. SUMMARY: IN CONNECTION WITH AMBITIOUS PROMOTION PROJECT FOR SALE OF PROCTER & GAMBLE DISPOSABLE DIAPERS "PAMPERS" IN EUROPE, SENIOR COMPANY OFFICIALS HAVE EXPLORED WITH US POSSIBILITY OF OBTAINING A DUTY REDUCTION. DECISION AS TO WHETHER THE PRODUCT WILL BE SHIPPED FROM THE U. S. OR PRODUCED IN EUROPE MAY WELL DEPEND ON OUTLOOK ON TARIFF LEVEL. OFFICIALS OF THE COMPANY WOULD LIKE TO DISCUSS THE PROBLEM WITH SENIOR OFFICIALS IN WASHINGTON. COMPANY OFFICIALS WOULD BE IN WASHINGTON ON FRIDAY, JULY 20, AND WOULD APPRECIATE KNOWING WHETHER AN APPOINTMENT MIGHT BE POSSIBLE BETWEEN 11:00 A.M. AND 4:00 P. M. ON THAT DATE. END SUMMARY.

2. WE HAVE BEEN APPROACHED BY SENIOR OFFICIALS OF EUROPEAN HEADQUARTERS PROCTER & GAMBLE CONCERNING COMPANY DECISIONS FOR THE DEVELOPMENT OF A MARKET, INITIALLY IN GERMANY, FOR THEIR DISPOSABLE DIAPERS "PAMAPERS". TEST SALE EFFORT ON GERMAN MARKET HAS BEEN MOST ENCOURAGING, AND COMPANY FORESEES POSSIBILITY OF A MARKET IN GERMANY
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ALONE GOING INTO THE TENS OF MILLIONS OF DOLLARS.

3. QUESTION TO BE DECIDED IS WHETHER THE PRODUCT WOULD BE IMPORTED FROM AVAILABLE U. S. PRODUCTION CAPACITY OR WHETHER A PLANT WOULD BE SET UP IN GERMANY FOR PRODUCTION. U. S. HOME OFFICE POINTED OUT THAT SINCE GERMANS WITH AN OVERHEATED ECONOMY ARE NOT INTERESTED IN NEW PLANTS, AND SINCE EVERYONE WANTS U. S. TO CORRECT IS BALANCE OF TRADE, SALES OF US. S. PRODUCTIVE CAPACITY SHOULD BE PREFEREABLE SOLUTION. MAIN PROBLEM SEEMS TO BE THE FACT THAT EXISTING TARIFF RATE IN GERMANY AND THROUGHOUT THE COMMUNITY IS 14PERCENT (EXCEPT TEMPORARILY IN UK, IRELAND, AND DENMARK). THE COMPANY CONSIDERS A REDUCTION IN THIS DUTY MAJOR FACTOR AS TO WHETHER PRODUCTION IN U. S. WOULD BE DECIDED. PROCTER & GAMBLE'S REPRESENTATIVE IN GERMANY HAS POINTED OUT THAT THEY CAN SEE NO WAY TO USE GERMAN INFLUENCE IN GETTING A REDUCTION, SINCE THIS IS A COMMUNITY MATTER AND SINCE RECIPROCITY WOULD BE INVOLVED.

4. DURING OUR CONVERSATIONS WE SUGGESTED THE POSSIBILITY OF CONSIDERING INCLUDING THIS PRODUCT EITHER IN OUR ART. 24:6 PACKAGE (WHICH MAY NOT BE POSSIBLE) OR OVER THE LONGER RUN IN THE FORTHCOMING MTN. ACCORDING TO PROCTER & GAMBLE, IMPORTS IN TO GERMANY FALL UNDER CLASSIFICATION NO.48 21 90TU. HOWEVER, PROCTER & GAMBLE NOTES THAT CORRECT NO. IS 48 21 23, WHICH WOULD BE USED BY BELGIUM, FRANCE, AD ITALY, SHOULD THE PRODUCT BE IMPORTED AT THE PRESENT TIME. IT IS WORTH NOTING THAT NO. 48 21 23 IS MORE PRECISE THAN 48 21 90T. LATTER NUMBER IS DESIGNATED AS "OTHER". 48 21 23, HOWEVER, SPECIFICALLY RELATES TO DIAPERS, I. E., "LANGES OU COUCHES POUR BEBES".

5. PROCTER & BAMBLE REPRESENTATIVES EXPRESSED GREAT INTEREST IN DISCUSSING THIS MATTER WITH SENIOR OFFICIALS IN WASHINGTON, SINCE POTENTIAL TRADE VOLUME COULD BE LARGE. WE HAVE BEEN ASKED, THEREFORE, WHETHER MR. CHARLES FULLDRAF, VICE PRESIDENT IN CHARGE OF PAPER PRODUCTS DIVISION OF PROCTER & GAMBLE IN THE U.S., COULD DISCUSS THE MATTER WITH AMBASSAOR EBERLE OR AMBASSADOR MALMGREN, OR IF THEY ARE UNABAILABLE, ANOTHER APPROPRIATE SENIOR OFFICIAL TO GO INTO THE MATTER FURTHER. MR. FULLDRAF WOULD BE ACCOMPAINED BY MR. ANTHONY CARRETT, WHO IS IN CHARGE OF THE DISPOABLE

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DIAPER PROJECT IN EUROPE. GARRETT WILL BE IN U. S. NEXT WEEK, AND IT HAS BEEN SUGGESTED THAT FULLDRAF AND GARRETT COULD BE AVAILABLE FOR AN APPOINTMENT IN WASHINGTON ON FRIDAY, JLY 20, AT ANY TIME BETWEEN 11:00 A. M. AND 4:00 P. M.

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